

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1190 - HB 1935

March 18, 2011

SUMMARY OF BILL: Requires every container of seeds sold in Tennessee to have a label indicating whether the seeds are open pollinated, genetically modified, or hybridized.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$831,500/FY11-12
\$559,500/FY12-13 and Subsequent Years**

Assumptions:

- According to the Department of Agriculture (TDOA), the Department will sample and perform DNA tests on seeds to determine if they have been genetically modified. TDOA will purchase equipment to perform the tests for a one-time increase in state expenditures of \$115,000.
- The equipment manufacturer will develop the methodology for different genetic markers for Tennessee's major crops. This will result in a one-time increase in state expenditures of \$350,000. According to TDOA, the manufacturer will develop five additional genetic markers each year thereafter for a recurring increase in state expenditures of \$150,000 beginning in FY12-13.
- The equipment maintenance contract will result in a recurring increase in state expenditures of \$11,500.
- The cost of laboratory supplies is \$15 per sample. TDOA anticipates testing 2,500 samples in FY11-12 and 5,000 samples in FY12-13 and subsequent years. The increase in state expenditures will be \$37,500 (\$15 per sample x 2,500 samples) in FY11-12. The recurring increase in state expenditures will be \$75,000 (\$15 per sample x 5,000 samples) beginning in FY12-13.
- TDOA will hire one Chemist 2 position and one Chemist 3 position to implement the testing, extraction methodology, and sampling logging requirements of the bill. The recurring increase in state expenditures will be \$96,765 (\$69,456 salaries + \$24,309 benefits + \$3,000 other).
- TDOA will hire two Plant Certification Inspector 2 positions and two Pesticide Inspector 2 positions to implement the sampling requirements of the bill. The recurring increase in state expenditures will be \$171,092 (\$124,512 salaries + \$43,580 benefits + \$3,000 other).
- TDOA estimates a recurring increase in state expenditures of \$53,500 for operational expenses (\$44,000 travel + \$6,000 field supplies + \$3,500 communications).

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- TDOA will purchase two computers and two printers for the Chemists. The result will be a one-time increase in state expenditures of \$6,000. The cost for internet service will result in a recurring increase of \$1,680.
- The total increase in state expenditures for FY11-12 will be \$843,037 (\$115,000 + \$350,000 + \$11,500 + \$37,500 + \$96,765 + \$171,092 + \$53,500 + \$6,000 + \$1,680).
- The recurring increase in state expenditures for FY12-13 and subsequent years will be \$559,537 (\$150,000 + \$11,500 + \$75,000 + \$96,765 + \$171,092 + \$53,500 + \$1,680)

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/sbh